

## **Material Event Disclosure – August 13, 2012**

### **City of Riverside 2005 Pension Obligation Bonds, Series A**

Pursuant to the requirements of the Continuing Disclosure Certificate for the above referenced issue, notice is hereby given of a material event consistent with Rule 15c2-12 of the Securities and Exchange Commission. The following additional material events have occurred since the last material event disclosure provided by the City:

- **Consolidation of previously posted items**

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#### **THE BELOW DISCLOSURE INFORMATION HAS PREVIOUSLY BEEN PROVIDED**

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- **Actions taken relative to National Public Financial Guarantee Corp's (NPFGC) rating:**
  - (1) – On February 18, 2009, MBIA transferred its public finance insurance line of business to National Public Financial Guarantee Corp. (NPFGC).
  - (2) – On February 18, 2009, Standard and Poor's decreased its rating from "AA" to "AA-"
  - (3) – On June 6, 2009, Standard and Poor's decreased its rating from "AA-" to "A"
  - (4) – On December 22, 2010, Standard and Poor's decreased its rating from "A" to "BBB"
  - (5) – On December 19, 2011, Moody's decreased its rating from "Baa1" to "Baa2"

NPFGC provides an insurance policy guaranteeing the scheduled payment of principal and interest on the bonds.

- **Substitution of Credit provider:**

- (1) – On February 18, 2009, the insurer MBIA was reinsured by National Public Financial guarantee Corporation (NPFGC)

- **Actions taken relative to MBIA Insurance Corp's (MBIA) rating:**

- (1) – On April 4, 2008, Fitch Ratings decreased its rating from "AAA" to "AA"
- (2) – On June 4, 2008, Standard and Poor's decreased its rating from "AAA" to "AA"
- (3) – On June 19, 2008, Moody's decreased its rating from "Aaa" to A2
- (4) – On June 26, 2008, Fitch withdrew its rating of MBIA.
- (5) – On November 5, 2008, Moody's decreased its rating from "A2" to "Baa1"

MBIA provided an insurance policy guaranteeing the scheduled payment of principal and interest on the bonds.

- **Actions taken relative to the rating on the bonds:**

- (1) – In accordance with its March 25, 2010, report “Recalibration of U.S. Public Finance Ratings”, Fitch has recalibrated its rating on the bonds from “AA-” to “AA”
- (2) – On April 29, 2011, Fitch has revised its rating on the bonds from “AA” to “AA-”